

Memorandum

To: Julie Dubick
From: James Ingram
Re: Revisions
Date: October 4, 2007

Per the Committee's request, I have been working to make all the changes necessary to

1. substitute the balanced budget Charter section that you voted in on September 27 for the Charter and Municipal Code language I had put in the document as a placeholder.
2. remove the Municipal Code language I had proposed to specify the process for retention of outside legal counsel, since the Committee only approved the Municipal Code language.
3. specify, per your request, your votes on all recommendations in the document; these represent my notes from the meetings, as well as a review thereof on the website. Please correct me if they are not properly listed, but I have tried to get these right. Please do let me know if I spelled anyone's name wrong.
4. change the explanation of the vote on the veto, to more accurately characterize it. I remember that Committee member McDade voted against the veto recommendation only because the Committee had passed it with a rider calling on the Council to increase the number of districts expeditiously.
5. add the explanation of the votes on the balanced budget and Section 40, since these were actually voted by the full Committee.
6. move the balanced budget Charter recommendation to the 2008 recommendations, based on my understanding that the Committee saw no reason for delaying that change.
7. change the order of the Personnel Director recommendation to the bottom of the list of changes proposed for a later ballot, because that is the one recommendation on which there was a split 7-7 vote.
8. correct the spelling, grammar, etc., ensuring that Proposition F is always called that rather than Prop F, that Strong Mayor always appears capitalized, for consistency,
9. add things to the research appendix that were actually employed for the work.
10. add a footnote to the list of invited speakers to indicate that many more were invited, including every Council member, but that the list reflects only those who spoke before the Committee when requested. Please correct me if I am wrong, in that I placed Council member Donna Frye among the public speakers. I do not know if she was invited to attend the August 23 meeting where the Committee to discuss the financial reforms, although I think she probably was, given her expertise in this area. If she came by invitation, please let me know, so that I can move her to the other table. I was just trying to be correct in my classifications of speakers.

18. fix the recommendations so that they completely and correctly characterize the Charter language that was drafted, as follows:

SUMMARY OF CHARTER RECOMMENDATIONS

I. CHANGES PROPOSED FOR THE 2008 BALLOT

CATEGORY A – INTERIM STRONG MAYOR AND LEGISLATIVE TIGHTENING

1. Extends the trial period in Section 255 (Operative Date; Sunset of Article; Future Action by Voters) to December 31, 2014, at which point Article XV (Strong Mayor Trial Form of Governance) shall be made permanent, unless voters approve a ballot measure to extend, shorten or repeal the effective period of this Article.

THIS RECOMMENDATION WORKS AS IS.

2. Amends Section 285 (Enactment Over Veto) and Section 290 (Council Consideration of Salary Ordinance and Budget; Special Veto Power) to require a two-thirds Council majority vote to override a mayoral veto.

(AND)

Amends Section 285 (Enactment Over Veto) to require that if an ordinance or resolution requires a two-thirds Council majority to pass, then the Council would need to vote by a majority of two-thirds-plus-one-member in order to override a mayoral veto.

THIS RECOMMENDATION NEEDS SLIGHT REVISION TO ACCOMMODATE THE FACT THAT SOME VETOES ARE LARGER THAN 2/3. RECOMMENDED LANGUAGE IS IN THE REPORT'S BALLOT LANGUAGE IN APPENDIX II:

"If more than five votes are a two-thirds vote or other supermajority vote greater than two-thirds of the Council is required for the passage of any resolution or ordinance by the provisions of this Charter or other superseding law, such larger vote shall be required to override the veto of the Mayor then the number of Council votes necessary to override the Mayor's veto shall be one vote more than was necessary to pass the resolution or ordinance."

3. Amends Section 270 (The Council) to increase the number of Council districts from eight to eleven, with the redistricting to add the three additional districts to occur as soon as practicable.

THIS RECOMMENDATION WORKS AS IS.

4. Amends Section 270 (The Council) to clarify that Office of the Independent Budget Analyst is authorized under the Charter to act as a budgetary and policy analyst for the City Council.

THIS RECOMMENDATION WORKS AS IS.

CATEGORY B – FINANCIAL REFORM AND THE KROLL REPORT

his or her designee, a member of the City Council and two outside financial experts.

THIS SECTION SHOULD SPECIFY A PROCESS BY WHICH THE SCREENING COMMITTEE WILL CREATE THE POOL OF CANDIDATES, SUCH AS BY A MAJORITY VOTE. HERE IS THE BALLOT LANGUAGE FROM APPENDIX II:

"The three (3) public members of the Audit Committee shall be appointed by the City Council from a pool of candidates to be recommended by a majority vote of a screening committee comprised of a member of the City Council, the Chief Financial Officer, the City Attorney or his or her designee, the Independent Budget Analyst and two (2) outside financial experts."

7. Adds a new Section 39.2 (City Auditor) to establish a City Auditor who shall be appointed by the City Manager in consultation with the Audit Committee and confirmed by the City Council. The City Auditor shall be a Certified Public Accountant or Certified Independent Auditor. The City Auditor shall serve for a term of ten (10) years and report to the Audit Committee. The Audit Committee with a four-fifths vote may terminate the City Auditor with a right to appeal to the City Council who can override the Audit Committee's action with a two-thirds vote.

THIS SECTION NEEDS TO CLEARLY RESPECT THE CITY AUDITOR'S HEARING RIGHTS, AND DEAL WITH THEM AS THEY ARISE UNDER MMBA OR THE BROWN ACT; JIM LOUGH POINTED OUT THIS NEED AT THE SEPTEMBER 27 MEETING. THIS SENTENCE SHOULD BE ADDED TO THE RECOMMENDATION, AS STAFF ADDED IT TO THE CHARTER LANGUAGE:

"Nothing herein prevents the Council or the Audit Committee from meeting in closed session to discuss matters that are required by law to be discussed in closed session pursuant to State law."

8. Recommends maintenance of the *status quo* in regard to the Board of Administration of the San Diego City Employees Retirement System. The recent Charter changes seem to be working well, despite recommendations by the Kroll Report for a board with a different number of members and different affiliations.

THIS RECOMMENDATION WORKS AS IS.

9. Amends Section 69 (Fiscal Year and Manager's Estimate) to require that the Manager propose and the Council adopt a balanced budget annually. The term "balanced budget" will mean sufficient funds are available to cover projected expenditures. The Manager shall monitor and report on the budget throughout the fiscal year and if he or she determines there will no longer be sufficient funding from all available sources to cover projected expenditures and encumbrances, the Manager shall propose revisions to keep the budget balanced. Within 60 days of the Manager's submission of these revisions, the Council shall adopt them or offer alternative ones to ensure a balanced budget. The Manager and Council shall take the necessary steps to ensure a balanced budget by the end of each fiscal year.

veto. This would institutionalize the Mayor's present position as Executive Director of the Redevelopment Agency.

THIS RECOMMENDATION WORKS AS IS.

15. Amend Section 265 (The Mayor) to allow the Mayor to appoint the Personnel Director, subject to Council confirmation, and to dismiss the Personnel Director without recourse.

THIS RECOMMENDATION WAS NOT MADE BY A MAJORITY, SO IS IT A RECOMMENDATION?